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OFFICE OF THE COMPTROLLER  
CITY OF ST. LOUIS



DARLENE GREEN  
Comptroller

*Internal Audit Section*

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St. Louis, Missouri 63101  
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September 17, 2008

Aaron Reeves, CFO  
Community Development Economic Corporation  
5508 Dr. Martin Luther King  
St. Louis, MO 63112

RE: Fiscal Monitoring Report of Community Development Economic Corporation,  
Consolidated Home Repair Program, Contract #06-10-16, CFDA #14.218  
(Project#2008-CDA50)

Dear Mr. Reeves:

Enclosed is a report of our fiscal monitoring review of the Community Development Economic Corporation, Consolidated Home Repair Program, for the period January 1, 2007 through December 31, 2007. The scope of a fiscal monitoring review is substantially less than an audit, and as such, we do not express an opinion on the financial operations of Community Development Economic Corporation. Our fieldwork was completed on June 13, 2008.

This review was made under authorization contained in Section 2, Article XV of the Charter, City of St. Louis, as revised, and has been conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* and through an agreement with the Community Development Administration (CDA) to provide fiscal monitoring to all grant sub recipients.

If you have any questions, please contact the Internal Audit Section at (314) 622-4723.

Sincerely,

A handwritten signature in black ink that reads "Kenneth M. Stone".

Dr. Kenneth M. Stone, CPA  
Internal Audit Executive

Enclosure

cc: Ms. Lorna Alexander, Special Assistant for Development, CDA  
Ms. Jill Claybour, Acting Executive Director, CDA



# CITY OF ST. LOUIS

*COMMUNITY DEVELOPMENT ADMINISTRATION  
COMMUNITY DEVELOPMENT ECONOMIC CORPORATION  
CONSOLIDATED HOME REPAIR PROGRAM  
CFDA #14.218*

*CONTRACT: #06-10-16*

*FISCAL MONITORING REVIEW*

*JANUARY 1, 2007 THROUGH DECEMBER 31, 2007*

*PROJECT #2008-CDA50*

*DATE ISSUED: SEPTMEBER 17, 2008*

*Prepared by:  
The Internal Audit Section*



## OFFICE OF THE COMPTROLLER

HONORABLE DARLENE GREEN, COMPTROLLER

**CITY OF ST. LOUIS  
COMMUNITY DEVELOPMENT ADMINISTRATION (CDA)  
COMMUNITY DEVELOPMENT ECONOMIC CORPORATION  
COMMUNITY BASED DEVELOPMENT ORGANIZATION  
FISCAL MONITORING REVIEW  
JANUARY 1, 2007 THROUGH DECEMBER 31, 2007**

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**INTRODUCTION**

**Background**

**Contract Name:** Community Development Economic Corporation

**Contract Program:** Consolidated Home Repair Program Development  
**CFDA Number:** 14.218

**Contract Number:** 06-10-16

**Contract Period:** January 1, 2007 through December 31, 2007

**Contract Amount:** \$10,000

The contract provided funds to the agency to revitalize the physical, economic and cultural conditions of the 22<sup>nd</sup> Ward. The organization plans to expand collaboration efforts with 3 initiatives (World Changers International, Restore St. Louis and Friendly Hands) to increase public awareness of the hazards associated with lead poisoning in the designated services area.

**Purpose**

The purpose of this fiscal monitoring review was to determine Community Development Economic Corporation's compliance with Federal, state and local Community Development Administration (CDA) requirements for the period January 1, 2007 through December 31, 2007, and make recommendations for improvements, if required.

**Scope and Methodology**

We made inquiries regarding Community Development Economic Corporation's internal controls relating to the grant administered by the Community Development Administration, tested evidence supporting the reports the agency submitted to CDA and performed other procedures considered necessary. Our fieldwork was substantially completed on June 13, 2008.

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**INTRODUCTION**

**Exit Conference**

We offered an exit conference which was declined.

**Management's Response**

Management's responses were received on August 28, 2008 and have been incorporated into the report.

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**CONCLUSION AND SUMMARY OF OBSERVATIONS**

**Conclusion**

The Community Development Economic Corporation did not fully comply with local Community Development Administration requirements.

**Status of Prior Observations**

This is the first fiscal monitoring review for Community Development Economic Corporation; therefore, the Agency does not have prior observations.

**A-133 Status**

According to a letter drafted by the Agency's CPA dated December 20, 2007, the Agency did not expend \$500,000 in federal funds during its fiscal year ending December 31, 2007. Therefore, an A-133 audit was not required.

**Summary of Current Observations**

We made recommendations for the following observations, which if implemented, could assist Community Development Economic Corporation in fully complying with local Community Development Administration requirements.

- The Agency Did Not Submit Its Monthly Reports Timely

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**DETAILED OBSERVATIONS, RECOMMENDATIONS  
AND MANAGEMENT'S RESPONSES**

**The Agency Did Not Submit Its Monthly Reports Timely**

In agreement with the CDEC-22 and CDA contract, the Agency is required to submit financial reports by the 10<sup>th</sup> day of the month following the report period end.

The agency submitted their reports an average of 21 days late. Management failed to ensure the reports were submitted timely. The Agency appeared to not have an effective system of internal control in place to ensure compliance with CDA regulations. Late submission of monthly reports may cause a delay or suspension in the processing of reimbursement requests.

**Recommendation**

We recommend that the agency comply with CDA requirements and submit its monthly reports by the 10<sup>th</sup> of the month to minimize delays in processing reimbursement requests.

**Management's Response**

*Management concurs with the finding of the [Internal Audit Section] and agrees with their recommendations. We will make sure to submit any future monthly reports by the 10<sup>th</sup> of the month to be in compliance with CDA requirements.*